

Person to Contact: [REDACTED]

Telephone Number: [REDACTED]

Refer Reply to: [REDACTED]

YLN: [REDACTED]

Date: AUG 12 1991

Dear Sir or Madam:

We have considered your application for exemption from Federal income tax as an organization described in section 501(c)(6) of the Internal Revenue Code of 1986.

The information submitted discloses that you were incorporated under the nonprofit corporation laws of the State of [REDACTED] on [REDACTED].

According to your Articles of Incorporation, your specific purpose is:

"...to provide a facility to allow Multiple Listing Services operated by Boards of REALTORS* or wholly owned by Boards of REALTORS*, who are members of the [REDACTED], to combine their database into one central source and publish a common regional MLS book, thereby giving access to the MLS participants of the member Boards and MLSs while retaining the separateness of each MLS. Further, the specific purpose of this corporation is to provide products and services to members as determined by the Board of Directors in accordance with the bylaws."

You establish standards and procedures for providing a common database for your seven member Multiple Listing Services in the [REDACTED] area of [REDACTED] County to permit participants of those Multiple Listing Services to make blanket unilateral offers of sub-agency to other participants on properties listed by them, and to provide a facility for the orderly correlation and dissemination of listing information among participants in the Services so that they may better serve the buying and selling public.

You provide means of on-line access to the database as well as a printed record of all listings and statistical data for your members.

[REDACTED]

You provide a centralized facility for issuing, servicing and controlling access to a common lockbox system for use by all participants to aid in showing property for the convenience of buyers and sellers.

Your financial support is and will be derived from performance of services for your members.

Section 501(c) of the Code describes certain organizations exempt from income tax under section 501(c) and reads, in part, as follows:

"(6) Business leagues, chambers of commerce, real-estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players), not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual."

The Income Tax Regulations define a business as an association of persons (the term "persons" includes legal entities such as trusts and corporations) having a common business interest, whose purpose is to promote the common business interest and not to engage in a regular business of a kind ordinarily carried on for profit. Its activities must be directed to the improvement of business conditions of one or more lines of business rather than the performance of particular services for individual persons.

Revenue Ruling 59-234, 1959-2 C.B. 149, provides that a real estate board whose primary purpose or activity is the operation of a multiple listing system is considered to be rendering particular services for its members and is not exempt from Federal income tax as an organization described in section 501(c)(6) of the Code.

Your purpose and activities are to provide real estate multiple listing services for your members as a convenience and an economy in the conduct of their respective businesses. Your activities are similar to the activities of the organization described in Revenue Ruling 59-234. The operation of a real estate multiple listing service constitutes a business of a kind ordinarily carried on for profit.

[REDACTED]

Therefore, we have concluded that you do not qualify for exemption from Federal income tax as an organization described in section 501(c)(6) of the Code.

You agreed to this determination by signing Form 6018, Consent to Proposed Adverse Action, on March 29, 1991.

Accordingly, you are required to file income tax returns annually with your District Director.

Sincerely yours,

[REDACTED]

District Director

Department of the Treasury-Internal Revenue Service
Consent to Proposed Adverse Action
(All references are to the Internal Revenue Code)

Prepare In
Duplicate

Case Number

Date of Latest Determination Letter

Employer Identification Number

Date of Proposed Adverse Action Letter

Name and Address of Organization

I consent to the proposed adverse action relative to the above organization as shown by the box(es) checked below. I understand that if Section 7428, Declaratory Judgments Relating to Status and Classification of Organizations under Section 501(c)(3), etc. applies, I have the right to protest the proposed adverse action.

NATURE OF ADVERSE ACTION

- ☒ Denial of exemption
- ☐ Revocation of exemption, effective
- ☐ Modification of exempt status from section 501(c)() to 501(c)(), effective
- ☐ Classification as a private foundation (section 509(a)), effective
- ☐ Classification as a non-operating foundation (section 4942(j)(3)), effective
- ☐ Classification as an organization described in section 509(a)(), effective
- ☐ Classification as an organization described in section 170(b)(1)(A)(), effective

If you agree to the adverse action shown above, please sign and return this consent. You should keep a copy for your records.

If you sign this consent before you have exhausted your administrative appeal rights, you may lose your rights to a declaratory judgment under section 7428.

(Signature instructions are on the back of this form.)

Name of Organization

Signature and Title

Date

Signature

Date